

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON AGRICULTURE, LIVESTOCK AND IRRIGATION

Call to Order: By **CHAIRMAN RIC HOLDEN**, on March 7, 2001 at 3:00 P.M., in Room 422 Capitol.

ROLL CALL

Members Present:

Sen. Ric Holden, Chairman (R)
Sen. Pete Ekegren, Vice Chairman (R)
Sen. Mike Halligan (D)
Sen. Greg Jergeson (D)
Sen. Walter McNutt (R)
Sen. Arnie Mohl (R)
Sen. Linda Nelson (D)
Sen. Gerald Pease (D)
Sen. Corey Stapleton (R)
Sen. Jon Tester (D)
Sen. Tom Zook (R)

Members Excused: None.

Members Absent: None.

Staff Present: Laramie Cumley, Committee Secretary
Doug Sternberg, Legislative Services

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 368, HB 387
Executive Action: HB 368, HB 387

HEARING ON HB 368

Sponsor: REP. DONALD HEDGES, HD 97, Antelope

Proponents: Dave Desch, Board of Research and Commercialization
Steve Street, Montana Mint Growers Association
Bob Stevens, Montana Grain Growers Association
Carol Lambert, Women Involved in Farm Economics

Lorna Karn, Montana Farm Bureau

Opponents: none

Opening Statement by Sponsor:

REP. DONALD HEDGES, HD 97, Antelope, said in the special session they set up the trust indemnity fund and there was a one-to-one ratio for obtaining research grant money. At the time they did not realize that some research facilities were unable to come up with the needed match because some of their funds became computer state funds as soon as they arrived at the state. This bill corrects that and allows research facilities to get grant money.

Proponents' Testimony:

Dave Desch, Board of Research and Commercialization, said they support the bill. He handed out some proposed amendments and discussed them. **EXHIBIT(ags52a01)**

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Steve Street, Montana Mint Growers Association, said the money that is available to the Montana Board of Research and Commercialization, 20 percent of that money has to go to projects that enhance production agriculture. He said currently they have to be matched with non-state funds and this has been a problem in the research area because they have a hard time getting non-state matches. He explained some of the projects that they have tried to get funding for in the past and the difficulties that there are getting these matching funds as many states do not have the same problems as Montana has. He said he felt that it is very important to have this money available for research projects without the one-to-one match.

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Bob Stevens, Montana Grain Growers Association, rose in support of HB 386.

Carol Lambert, Women Involved in Farm Economics, said they support HB 368.

Lorna Karn, Montana Farm Bureau, rose in support of HB 368.

Opponents' Testimony: None

Questions from Committee Members and Responses:

SEN. JON TESTER asked what a research and commercialization standard is.

Dave Desch said it is defined as the Montana University System and all of its various levels with community colleges, tribal colleges, college of technologies and private non-profit lab research.

SEN. TESTER asked if this money could be used for anything as long as it was matched.

Dave Desch said that was correct.

SEN. TESTER asked if it needed to be on-site or if it could be off-site.

Dave Desch said it is mostly on-site but a lot of that decision is made by the board and the type of project.

SEN. TESTER asked how many dollars are there available totally, and how much has already been allocated this year.

Dave Desch said this fiscal year \$2.35 Million has been appropriated for the program. The next fiscal year \$4.85 Million has been appropriated. He said to date no dollars have been referred.

SEN. TESTER asked what the match was?

Dave Desch said it is one-to-one.

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SEN. MIKE HALLIGAN asked for more detail on the proposed amendments.

Dave Desch discussed page 2, paragraph 3 of the amendments. He said in the original bill the expendable trust fund could be used only for loans or grants that are to be used for production agriculture projects or matching funds for grants from nonstate sources. He said if the Board wants to make a grant to an applicant the one-to-one match would be required. The language could be misleading as it may be understood that it must be a grant from an out-of-state source. He said with the amendment they would clean that up and make it clear that if the Board wants to make a grant, a one-to-one match is required except for

production agriculture projects which would not require a one-to-one match.

CHAIRMAN HOLDEN asked if (3)(c) of the bill was struck with the amendment.

Dave Desch said that was correct.

SEN. GREG JERGESON asked if under current law if the match is one-to-one for non-production agriculture research and commercialization.

Dave Desch said yes under current law any grant must be matched one-to-one.

SEN. TOM ZOOK asked if it is all grants even though it may be for instate commercialization projects.

Dave Desch said yes they believe that the statute tells them that any grant must be matched one-to-one.

SEN. ZOOK read portions of the bill page 1, lines 27-30 and page 2, lines 1-3. He said this language is somewhat confusing.

Dave Desch said the statute, as it is written right now, the Board makes the loan decisions and they can either require a match or not. But if there is a match it requires an out-of-state source.

SEN. JERGESON asked what the distinction is between a non-production agriculture project and a production agriculture project. He said if somebody who wants to do research on a value-added process on a commodity produced in Montana would that be considered a production agriculture project or a non-production.

Dave Desch said in general terms that would not be considered production agriculture.

SEN. ZOOK asked where does it state that grants require a one-to-one match in the proposed amendments (EXHIBIT 1).

Dave Desch said in subsection (b)(i) it spells this out.

CHAIRMAN HOLDEN said on subsection (3)(a) of the proposed amendments is the one-to-one match being taken out. (EXHIBIT 1)

Dave Desch said the one-to-one match is still required for all non-production agriculture.

CHAIRMAN HOLDEN asked if it is being taken out in subsection (4).

Dave Desch said yes that is correct.

SEN. ZOOK asked if (3)(i) applies to non-production agriculture projects and that is where the one-to-one match is?

Dave Desch said in the prior legislation the money that the Board has can only be used for research related projects. Production agriculture projects are a sub-category.

SEN. JERGESON said a one-to-one ratio can be a burden for a worthwhile project. He asked if the board has considered changing the ratio to something different to make the program more accessible to everybody with more quality to the projects.

Dave Desch said since this is the first time this whole process has been put to test they want to see how it is going to work first. If there are problems they will work to adjust those at a later date.

Closing by Sponsor:

Rep. Hedges said the amendments that are being proposed were also proposed in the House and were defeated. This bill passed the committee 17-0 and 99-1 in the House.

{Tape : 1; Side : B ; Approx. Time Counter :0.6 }

HEARING ON HB 387

Sponsor: REP. DONALD HEDGES, HD 97, Antelope

Proponents:

Pam Langley, Montana Seed Trade Association and
Montana Agribusiness Association
Lorna Karn, Montana Farm Bureau
Bob Stevens, Montana Grain Growers Association
Carol Lambert, Women Involved in Farm Economics
John Semple, Association of Montana Aerial Applicators

Opponents: None

Opening Statement by Sponsor:

REP. DONALD HEDGES, HD 97, Antelope, said HB 387 develops a protection act for research facilities for biomaterials. He

discussed section 2 of the bill. He said over the past years there has been considerable damage to crops. Recently, there have been over 40 cases of plot research destruction in the Midwest. He said in Montana they have a 10 million-dollar biotechnology research center in Bozeman and they would like to add some protective language for crop research projects.

Proponents' Testimony:

Pam Langley, Montana Seed Trade Association and Montana Agribusiness Association, rose in support of HB 387.

EXHIBIT(ags52a02) She also read testimony from **Dr. Sharron Quinsenberry** in favor of HB 387. **EXHIBIT(ags52a03)**

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Lorna Karn, Montana Farm Bureau, said they were very instrumental in getting legislation passed on animal research facilities. She passed out a protection act on farm animal and research facilities. **EXHIBIT(ags52a04)** She said this bill is needed in Montana for the protection of research facilities.

Bob Stevens, Montana Grain Growers Association, rose in support of HB 387.

Carol Lambert, Women Involved in Farm Economics, said they support research and facilities where this research is done.

John Semple, Association of Montana Aerial Applicators, rose in support of HB 387.

Mike Barrett, Self, turned in testimony and poetry on HB 387. **EXHIBIT(ags52a05)**

Opponents' Testimony: None

Questions from Committee Members and Responses:

CHAIRMAN HOLDEN asked what kind of protections are there now if someone is going to sabotage some of our research and why is this bill needed.

REP. HEDGES said if they had a row of sugar beets in Sidney, which had \$3 Million worth of lab research going on and someone came and pulled them out it would be a felony not just vandalism.

{Tape : 1; Side : B ; Approx. Time Counter : 20.1}

CHAIRMAN HOLDEN discussed the penalty section of the bill on page 3. He said he felt that the penalties did not go far enough if there are millions of dollars invested in a test plot.

SEN. HALLIGAN said a \$500 fine is not enough to pay for a million-dollar research project. He said he is concerned that there may already be laws that address how they are going to recover the losses of these research projects and are they creating a whole separate act that is not needed.

REP HEDGES said they discussed this in the House and the reason that they chose to go this way is because they wanted to develop a body of information on how much had been invested and they didn't have to go through the steps of claims.

SEN. HALLIGAN discussed the language on page 3, line 14 about the amount equal to three times all-actual and consequential damage.

SEN. JERGESON discussed section 3, line 2 page 3 on photograph, video camera, etc. and then section 4 he asked what was the actual and consequential damages for which one would recover three times for taking a photograph or video taping? He asked if someone went and took a photograph and published it in a newspaper what is the consequential damage in which three times would be recovered?

REP. HEDGES said this language has been taken from the animal research statutes.

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Closing by Sponsor:

REP. HEDGES said this bill passed out of committee 15-4 and out of the House 94-6. He said he felt it is a good companion bill for our animal research laws.

EXECUTIVE ACTION ON HB 368

SEN. HALLIGAN asked why did the House committee defeat the proposed amendments for HB 368.

REP. HEDGES said they didn't feel the amendments were necessary to get the job done that is being proposed in the bill.

SEN. JERGESON said he did not want to move the amendments that were before them but to work on modifying them. Matching funds on a production agriculture project is a one-to-one ratio, but it

doesn't address what it is for non-production projects. He said he felt there was some amendments that would make this more reasonable for production and value-added agriculture. He said right now the proposed amendments have no matching requirement for production agriculture projects but there would be a one-to-one on the non-production agriculture projects.

CHAIRMAN HOLDEN said they would hold off executive action until the next meeting.

EXECUTIVE ACTION ON HB 387

Motion: **SEN. ZOOK** moved that **HB 387 BE CONCURRED IN.**

Discussion:

SEN. HALLIGAN said there are some difference in this bill to normal criminal laws. He said one of the gray areas in taking pictures and video cameras and using it against the research facility.

Vote: Motion **carried 10-1.**

Substitute Motion: **SEN. ZOOK** made a substitute motion to reconsider **HB 387.**

SEN. LINDA NELSON asked if **SEN. HALLIGAN** would propose some amendments.

SEN. HALLIGAN said yes.

Vote: Motion to reconsider **carried unanimously.**

{Tape : 2; Side : A ; Approx. Time Counter : 15.2 }

ADJOURNMENT

Adjournment: 5:00 P.M.

SEN. RIC HOLDEN, Chairman

LARAMIE CUMLEY, Secretary

RH/LC

EXHIBIT (ags52aad)